

**New Mexico Greenhouse Gas Reporting/Registry
Stakeholder Meeting
Santa Fe
December 7, 2006**

Introductions: Jim Norton (Director, Environmental Protection Division, New Mexico Environment Department [NMED]) made introductions. This process will take about one year; NMED hopes to have regulations in place next year at this time. Two of the recommendations of the NM Climate Change Advisory Group were to develop 1) a mandatory greenhouse gas reporting system and 2) a voluntary greenhouse gas registry system. These recommendations were unanimously approved by the group. Why is NMED moving in this direction?

1. It is important for industry to be able to register their emissions as soon as possible. The registry will allow credits for reductions that occur now, too.
2. NMED has an inventory that was developed in 2005. The registry will allow us to create a bottom-up system for reporting. The registry will let us know how accurate our inventory is.
3. NMED has statutory authority to move forward with greenhouse gas reporting and a registry. NMED needs statutory authority to charge any fees, though.
4. The reporting and registry systems will not involve caps, but should a cap and trade system be established nationally, credits from this registry could possibly be used.
5. New Mexico is working within the national multi-state registry group to establish a format that is consistent across the country. This registry is likely to be a framework for a national or regional program. Through the multi-state group, New Mexico can have input into how registries are developed nationwide.

Sandra Ely (NMED Environment and Energy Coordinator, 827-0351) presented an overview of greenhouse gas reporting and registry (see presentation).

- A registry can also enable public recognition for greenhouse gas emissions reductions.
- There are already many existing registry programs: DOE's 1605b, California's registry, state of Wisconsin, eastern states, European Union registry.
- The multi-state registry group (see handout) involves 30 states and tribes working to standardize best practices in data reporting and management by summer of 2007 with final product by the end of 2007.
- Jim Norton is New Mexico's representative to the multi-state program; Lany Weaver and Brad Musick of NMED's Air Quality Bureau work on the technical workgroup.
- The NM Climate Change Advisory Group recommended the state develop a reporting system as soon as possible, preferably by 2008. Mandatory reporting was proposed to be phased in by sectors as quantification tools become available. (see NMCCAG report, appendix F).
- The NMCCAG also recommended a registry be implemented as soon as possible with rigorous verification of reductions. The cost of the registry would be borne by the participants in the registry.

Reid Smith, BP, made a presentation on Greenhouse Gas Commitment (see presentation). The presentation went over BP's reporting experience.

- BP started greenhouse gas reporting worldwide in 1998. BP focuses on methane and CO₂, since they don't have business emissions of other greenhouse gases. BP has instituted a "baseline cap" type program with annual targets for emissions cap and reductions for global operations.
- BP's steps in the reporting process are:
 1. Establish boundaries for the business
 2. Define the protocols (calculations, etc.)
 3. Identify the sources (usually more than you think)
 4. Quantify emissions
 5. Verify and audit by third party (goal is to audit 50% annually)
 6. Establish Measures and Tracking mechanisms

Reid presented the reporting structure for BP's onshore US business interests. The reporting system is an excel spreadsheet that is sent to BP headquarters in London. The system allows BP to determine creditable emissions reductions vs. non-creditable reductions. Sales of interests that continue to emit greenhouse gases are not creditable. The reporting system must be flexible to correct mistakes and omissions.

Challenges include who owns what portion, defining global rules (BP supports a federal program, not individual state programs so that reporting is consistent for all their business interests nationwide), individually small sources that cumulatively are large, complete coverage is difficult and resource intensive, obtaining hard data on emissions.

Key points:

1. Takes a lot of time and resources
2. Need to set very clear rules and explanations
3. Need flexibility in reporting
4. Must understand why emission quantities change
5. Choose small enough organizational units to keep track of acquisitions and divestitures
6. The more detail, the better
7. Maintain consistent staff working on the program
8. Make the reporting transparent for stakeholders

BP embarked on their reporting program due to growing consensus that global warming is occurring and effects are vast. BP believes they have a responsibility and ability to report greenhouse gas emissions. The reporting system has saved BP approximately \$600 million to \$1 billion world wide (net present value) through energy efficiency measures and reducing lost product. It took BP about one year to set up their reporting system.

BP is part of California's registry and the DOE 1605b program.

Chuck White from Waste Management presented Waste Management's Greenhouse Gas Reduction program (see presentation).

- WM is a \$12.5 billion company operating in 48 states. They have 289 active landfills (470 MW generated), most with landfill gas collection systems. They have 138 recycling plants in the US (920 MW saved). They own 17 waste to energy operations.
- It is likely the US will follow the global trend to constrain carbon emissions, there are investment opportunities, increasing legislative activities, increasing media coverage, more and more companies are interested, there is opportunity to sell credits.
- Solid waste management sources include trucks used for waste collection and transport, landfills, waste-to-energy facilities' emissions.
- Solid waste management sinks include landfills (can collect gas, store carbonaceous materials), waste-to-energy facilities using biogenic materials, recycling and compost.
- Waste-related greenhouse gas emissions are a small percentage of state greenhouse gas emissions and reductions to date have been significant (50-80% over the last decade).
- Waste Management participates in DOE's 1605b program. They have reduced 197 MMtCO₂e from more than 200 landfill gas projects. WM is also a member of CCX. WM has made carbon neutrality donations. WM also joined the California Climate Action Registry and hopes to report 2006 emissions by August of 2007. WM is working with California CAR to develop waste emissions quantification methods and protocols.

Jeff Burks of PNM presented PNM's perspective on Greenhouse Gas Reporting and Registry Meeting (see presentation).

- PNM has an environmental sustainability policy that commits the company to balance decisions with the environment and community interests. PNM seeks to be a leader in providing renewable energy. PNM's board is convinced this is also good for business.
- Why take an interest in the reduction of greenhouse gas emissions? PNM believes the problem of global warming is one of the biggest we face, and there is a strong likelihood that there will be national legislation very soon. States are moving much more quickly than the federal government is.
- NM's exposure to greenhouse gas regulations is primarily through coal-fired energy generation (almost 95% of PNM's greenhouse gas emissions). Minimizing risk and costs of compliance means PNM must focus on its coal-fired energy generation.
- PNM's actions so far have included creation of a baseline inventory, joining EPA's Gas Star program, establishing reduction goals, and making process improvements to meet these goals.
- PNM supports greenhouse gas emissions reporting, starting as a voluntary program, evolving into a mandatory program, due to the complexity of reporting. The state and those reporting need to iron out the bugs in a voluntary program. PNM supports a national program with consistent reporting requirements. The focus should be on direct emissions from operations that can be measured to avoid double-counting. Coverage should be for the largest stationary sources in the state, but must account for transportation sources, too. Registries should take advantage of existing protocols to enable reciprocity between states.
- PNM's emission reduction goals are intensity-based. Goals for SO_x, NO_x and PM are 15% reduction between 2003 and 2009. Greenhouse gas intensity goal reduction is 7% between 2003 and 2009.

Rita Trujillo and Brad Musick (NMED Air Quality Bureau) presented an overview of the stakeholder process and a working group to develop regulations and provide input into the multi-state registry process. NMED wants to develop a mandatory reporting requirement and participate in a regional registry.

The first meeting of this group will be on January 11, 2007 at the Public Employees Retirement Association building, 1120 Paseo de Peralta, Santa Fe, NM 87501, with continuing meetings through the summer of 2007. The January 11 meeting will go over the basics of reporting and registries.

Sources on tribal lands would not be included in the New Mexico reporting regulation. The multi-state registry may include sources on tribal lands. Bernalillo County/Albuquerque is also interested in adopting a similar reporting requirement and participating in a registry.